

Finance Sub Committee

Monday, 12 December 2022

Present: Councillor D Cox (Chair)
Councillors M Murphy, J O'Shea, B Pickard and
J Wallace

Apologies: Councillors T Neira and W Samuel

F16/22 Appointment of Substitute Members

Pursuant to the Council's Constitution the appointment of the following substitute member was reported:

Councillor John O'Shea for Councillor Tricia Neira

F17/22 Declarations of Interest and Notification of any Dispensations Granted

Councillor M Murphy declared a registerable personal interest in relation to the 2022/23 Financial Management Report because his wife was an employee in the education service of the Authority.

F18/22 Minutes

Resolved that the minutes of the previous meeting held on 4 October 2022 be confirmed and signed by the Chair.

F19/22 2022-23 Financial Management Report to 30 September 2022

The sub-committee was presented with a report which had been considered by Cabinet on 28 November 2022 relating to the financial position of the Authority as 30 September 2022 in the context of its policy priorities set out in Our North Tyneside Plan.

The Authority continued to see areas of pressure across Adults' and Children's Social Care and also significant impacts on income particularly across Sport and Leisure Services, and Catering Services. The 'cost of living crisis' was further increasing demand on the Authority's services and increasing costs, adding significant financial strain to the Authority's budgets. Consequently, it was reported that as of 30 September 2022 the Authority was facing a total pressure on its budget of £23.258m. The sub-committee examined details of various mitigations to be applied within the current financial year which together would reduce the in-year pressure to £8.800m.

The report also included details of a small forecast underspend of £0.090m in the Housing Revenue Account, details of the additional grants received by the Authority since the Budget was set, the position so far on the 2022/23 schools' budgets and schools' funding, delivery of the Authority's Investment Plan, the Collection Fund position for 2022/23 and information

on Prudential Indicators.

Members of the sub-committee asked a series of question of officers when the following issues were examined in more detail:

- a) the underlying causes of increased demand for adult social care and children's services and the Authority's medium term plans to invest in developing and remodelling services to continue to meet needs and reduce financial pressures;
- b) the extent to which the Authority's Investment Plan had been delivered on time and the likely impact of increased costs of materials on delivery of the plan. Officers confirmed that at the end of September 2022, 26% (£27m) of the plan had been delivered and this was in line with the typical annual delivery profile;
- c) the recent confirmation from the External Auditors that there were no issues with a revised approach to the Minimum Revenue Provision (MRP) calculations, how these would be factored into in-year budget monitoring and its impact on the in-year financial pressure; and
- d) the financial implications of the introduction of voter identification at future elections.

During its deliberations, the sub-committee asked for the following supplementary information to be provided to all its members:

- a) a breakdown of the financial pressures so that members may better understand the root causes of the total pressure on the budget of £23.258m;
- b) an indication of whether the Authority intends to re-instate car parking charges at Quadrant in line with its carbon net zero commitments and to reduce the £0.101m pressure on car parking income; and
- c) a more detailed explanation of the reasons why Democratic and Electoral Services were forecasting a pressure of £0.079m due to the cost of staffing the 2022 elections and canvas.

It was **agreed** that (1) the 2022/23 Financial Management Report to 30 September 2022 be noted; and

(2) all members of the sub-committee be provided with the supplementary information set out above.

F20/22 Welfare Reform - Financial Update

The sub-committee received the latest in a regular series of reports to monitor the provision of various welfare support schemes.

The Authority had received from the Department for Work and Pensions a final award of £306,562 for 2022/23 together with a top up grant of £50,000 to administer on its behalf the Discretionary Housing Payment. As at 1 October 2022, 361 claimants had received support and the committed spend had been £262,823m, leaving £93,739 unallocated.

At the end of September 2022 the Local Council Tax Support Scheme caseload stood at 16,190 people and the cost for the scheme was £16,614,109. Officers undertook to provide members of the sub-committee with supplementary information relating to the performance of the Council's partners Equans in administering the Local Council Tax Support Scheme.

There had been 2,331 applications for Local Welfare Support. All applicants had been offered screening with advice, information and signposting offered where appropriate. There

had been 1,147 crisis applications eligible for further practical support. Spend for the period in respect of immediate practical support amounted to £32,621. This was in addition to the annual grant to the Food Bank of £29,934 paid in April 2022.

In September there were 18,939 people claiming Universal Credit which was an increase against the number reported in July which had been 18,451. There were now 5,339 Council housing tenants on Universal Credit with 3,907 (73.18%) of these in rent arrears.

It was **agreed** that (1) the latest position regarding the provision of welfare support schemes be noted; and
(2) members of the sub-committee be provided with supplementary information relating to the performance of the Council's partners Equans in administering the Local Council Tax Support Scheme.

F21/22 Section 106 Legal Agreements - Overview and Update on Spend and Project Delivery

The sub-committee received the latest in a series of reports setting out details of the current balances, commitments and spend in relation to Section 106 agreements.

The Authority had the power under Section 106 of the Town and Country Planning Act 1990 to require developers to make financial contributions towards the delivery of a range of services including highways, affordable housing, sport and leisure facilities, health services and play sites where these contributions would make a development proposal acceptable in planning terms and mitigate the impact of the development on an area.

The sub-committee noted that at 30 September 2022 the Authority had received £18.822m in contributions of which £6.273m had been spent. A balance of £12.590m remained in the budget but £3.179m was committed.

The sub-committee paid particular attention to the appendix to the report which contained details of the financial contributions received from each development and provided an indication of how and when this funding would be used. Members were assured that when a scheme was not delivered before its "end date" the funding would not be lost.

Members also highlighted a number of examples of significant sums of money having been received but not yet committed or spent. It was suggested that the sub-committee invite those officers responsible for the delivery of projects to be funded from Section 106 contributions to attend future meetings to explain the reasons why these sums were not yet committed or spent. Members expressed a preference to commence this process by examining the Authority's plans to use Section 106 funding for the improvement of parks.

It was **agreed** that (1) that the current balances, commitments and spend in relation to Section 106 agreements be noted;
(2) as part of future reporting, the relevant officers responsible for the delivery of projects to be funded from Section 106 contributions be invited to attend meetings of the sub-committee to explain the reasons why financial contributions received from developers remain unspent or uncommitted;
(3) the relevant officers responsible for the delivery of projects to improve parks be invited to attend the next meeting for this purpose; and

(4) the sub-committee decide at each meeting the area of spend to be examined in more detail at its next meeting.

F22/22 Exclusion Resolution

Resolved that under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

F23/22 Business and Technical Partnerships Risks

The sub-committee considered a report that detailed the monitoring on the risks rated as high within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Equans and Capita.

It was **agreed** that (1) the Strategic and Operational Risk Registers of each partnership be noted; and
(2) officers provide members of the sub-committee with supplementary information requested during consideration of the report.